

19 May 2017

### **Strategic expansion–Evolve to acquire 6 South Island centres**

Evolve Education Group Limited (NZX:EVO, ASX:EVO) (Evolve) announces that it has entered into a contract to acquire six early childhood education (ECE) centres, increasing its portfolio to 126 centres by June 2017.

The group of six Little Wonders centres are based in some of the main population hubs of the lower part of the South Island (Dunedin, Oamaru, Timaru & Cromwell), lifting Evolve's profile in areas in which it has previously had no representation. Little Wonders are popular purpose built centres, averaging 80% occupancy, offering quality ECE in areas of stable and growing demand.

The six centres will settle in June 2017, and are expected to deliver annualised EBITDA of \$1.3m to \$1.5m.

Alan Wham, CEO said, "We are pleased to expand our operations into the lower South Island through the acquisition of the high quality Little Wonders centres."

This transaction is further to the acquisition of two high quality mid size centres, one in Auckland and one in Canterbury (both averaging 100% occupancy), in March this year. A smaller West Coast centre was sold in April.

To facilitate the acquisition of the Little Wonders businesses Evolve director Mark Finlay, and associated interests, will acquire the premises out of which these businesses operate and lease these premises to Evolve. The leases are on standard commercial terms for ECE centres, for an initial lease term of 12 years and an aggregate initial rental of \$100k per month. Mark Finlay is a Related Party of Evolve under NZX Main Board Listing Rule 9.2.3 and was excluded from Board decisions with respect to these leases.

ENDS

#### **About Evolve**

Evolve is a leading provider of high-quality multi-faceted ECE services in New Zealand and is listed on the New Zealand and Australian Stock Exchanges. Evolve currently has 120 centres nationwide under a number of leading brands including Lollipops Educare and Leaps & Bounds. Evolve's home-based services include market-leaders Porse and Au Pair Link. Additionally, Evolve offers a centre management service through ECE Management as well as accredited training through Porse Education & Training and Life Education & Training.

For any further inquiries please contact:

Alan Wham

Chief Executive

Evolve Education Group Limited

Email: [alan.wham@eeg.co.nz](mailto:alan.wham@eeg.co.nz)

Mobile: +64 27 582 4838